



ZAREMBA GROUP

**Waterford Villas
Rezoning Request
Scottsdale, Arizona**

Project Narrative

**Request to Rezone from S-R to R-3
Case # 39-PA-2004**

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WATERFORD VILLAS PROJECT NARRATIVE

**Request to Rezone from S-R to R-3
Northeast Corner of Shea Boulevard and 74th Street**

I. Project Overview

A. General Overview of Request

The purpose of this application is to request approval of a zoning change from Service-Residential ("S-R") to Medium Density Residential ("R-3") on approximately 5.45 acres (the "Rezoning"). The subject property is located at the northeast corner of Shea Boulevard and 74th Street (the "Property") within the City of Scottsdale (the "City"). The Property is owned by Herberger Enterprises, Inc., an Arizona corporation, and is proposed to be developed by Zarembo Group, LLC, a Delaware limited liability company ("Zarembo"). Zarembo proposes to develop the Property with luxury condominiums/townhouses ("Waterford Villas"). Waterford Villas will feature sixty-eight (68) homes located in two (2) story buildings.

A request for a Minor General Plan Amendment from Office to Urban Neighborhood (the "Minor GPA") is being submitted concurrently with this Rezoning request.

B. Purpose of Request

Zarembo proposes to develop the Property with a luxury condominium/townhouse community that will complete the development of this area of the Shea corridor. The condominiums/townhouses are proposed to be high quality residential units complete with private amenities to serve residents of the community. Recreational amenities proposed for Waterford Villas include a swimming pool and spa/Jacuzzi area for residents. Other amenities include a state of the art fitness center, a barbeque area, ramada/cabana with restrooms, and a picnic/gathering area around the pool. The condominium/townhouse units are located in two (2) story buildings with a maximum building height of twenty six (26) feet. Additionally, all units will have a two (2) car attached garage with direct access from the unit.

The Property has been designed to take advantage of the surrounding area by providing pedestrian access to adjacent retail, commercial and entertainment uses. Pedestrian accessways are provided throughout the Property. The Property will feature heavily landscaped areas both at the perimeter and internal to the site. Lush, low water-use greenbelt areas are proposed throughout the site to connect the residential homes to the swimming pool and recreation area. Additionally, along both 74th Street and Shea Boulevard, the Property will have building setbacks of a minimum of thirty (30) feet

resulting in a landscaped setback area of between thirty (30) and eighty (80) feet. It should be noted that Shea Boulevard is designated as a visually important roadway in the General Plan and as a Compromised/High Activity/Commercial Character area in the Scenic Corridor Design Guidelines. Waterford Villas is consistent with the streetscape area provided at the Briarwood North community adjacent to the Property to the east.

The luxury residential units will be two (2) and three (3) bedroom units and ranging in size from 1,300 square feet to 1,800 square feet. The amenities include designer kitchens, with granite counter tops, luxury baths with garden bathtubs, nine (9) foot ceilings, full size washer and dryers, computer rooms, ceramic tile flooring and many other upgrades that make this project consistent with the high quality nature of the surrounding residential uses. The anticipated market for this community includes young professionals, empty-nesters, and retirees.

C. Overview of Developer

Zaremba is a well-known developer of innovative projects across the country with over eighty (80) years of experience in the real estate industry. Zaremba is known for developing high-end multi-family residential communities. The upscale multi-family communities in which Zaremba specializes are intended to complement the lifestyles of young professionals and empty nesters. Waterford Villas, like other Zaremba projects are designed to satisfy the needs of the residents as well as to withstand the test of time.

II. Location/Access

The Property is located in one of the few remaining undeveloped properties along the Shea Boulevard corridor and is conveniently located at the signalized intersection of Shea Boulevard and 74th Street. Access to the Property will be via an entrance on 74th Street that aligns with the access way on the west side of 74th Street and one emergency-only access will also be provided. No direct access is proposed from Shea Boulevard. The Property is also located approximately one and one-half (1½) miles west of the 101 Freeway providing convenient access to all areas of the Valley.

III. Property Characteristics

The Property is currently undeveloped, with flat terrain and no native or other vegetation existing on-site. The Property has been graded and historically has been utilized for temporary seasonal sales.

IV. Compatibility with Surrounding Properties

The Property is completely surrounded by developed land to the north, south, east and west, as reflected in Table 1 below. To the north and east of the Property is the Briarwood North community which is a single-family attached development. A

commercial shopping center with a movie theater complex exists to the west across 74th Street. To the southwest of the Property and across Shea Boulevard is a gas station and car wash. Property at the southeast corner of Shea Boulevard and 74th Street is a medical office building with a Rural Metro/City of Scottsdale fire station to the east of the medical/office building.

Table 1

Property	Existing Use	Existing Zoning
<i>Subject Property</i>	Undeveloped	S-R
North of Property	Residential – attached	R1-7 PRD
East of Property	Residential – attached	R1-7 PRD
South of Property	Gas Station/Car Wash Medical Office Building Fire Station APS Substation	S-R
West of Property	Commercial Retail	C-2

While homes in the general area and further north of the Property are on larger rural lots, the residential density transitions to smaller lots with higher density adjacent to the Property. The homes immediately adjacent to the north and to the east of the Property are attached residences. The development of the Property as proposed thus completes the transition of densities from the lower density uses further north and east to the more urban development located at the intersection of Shea Boulevard and 74th Street.

V. Impact on School District

The Property is located within the Scottsdale Unified School District (the “School District”). Sixty-eight (68) dwelling units are proposed for the Property. Given the type of residential uses proposed, it is anticipated that student generation rates will be low and therefore will not impact, negatively or otherwise, the School District. Development of the Property as proposed will increase assessed property valuation within the School District resulting in additional tax revenues.

VI. Conformance with the General Plan

While a Minor GPA to amend the Land Use Map is required for the development of the Property with a condominium/townhouse community, it has been demonstrated that the Minor GPA is consistent with the Guiding Principles of the General Plan, as well as with numerous goals and approaches contained within the various Elements. Waterford Villas will be the type of high quality development for which the City is known. Careful attention to the design of the site, buildings and landscaping will ensure Waterford Villas

meets the high standards of the City. Furthermore, the proposed use will provide an appropriate transition between the attached single-family residential uses to the north and east and the commercial retail uses to the west and south. The Property is an infill site and has direct access to an arterial road as well as all necessary utilities. Finally, the use will be beneficial not only to the commercial uses to the west, but is conveniently located to provide residents with easy access to commercial, entertainment, dining and office uses, all within walking or biking distance, thus resulting in a reduction of vehicle trips.

VII. Market Analysis

A marketability analysis prepared for Zaremba concludes that the Property possesses the necessary site characteristics to support the condominium development given the availability of infrastructure, major arterial frontage, convenient ingress and egress, and its location in close proximity to the Loop 101 and the Scottsdale Airpark employment center. Additionally, analysis of market conditions for townhomes and condominiums in the identified study area indicate that the comparable and competitive projects to Waterford Villas were nearing sell-out as of the 3rd quarter of 2003 and, at the time, there was only a nine (9) month supply of inventory existing in the study area. Given the pace at which units are absorbed into the market, it is concluded that a healthy demand for this condominium product exists.

VIII. Project Justification

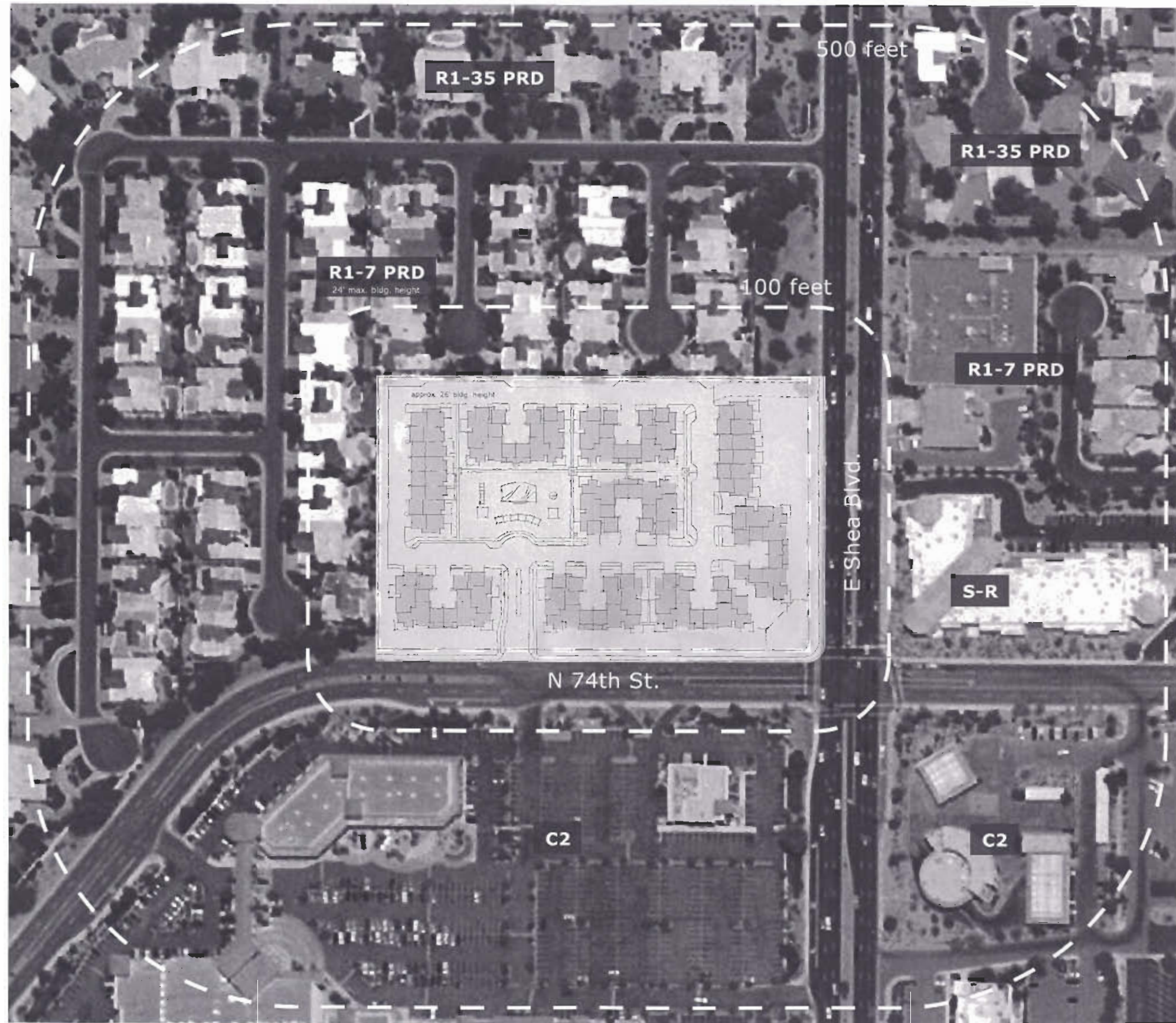
The Rezoning will change the land use category from S-R to R-3. This change, together with the proposed use, is appropriate for the Property given the following:

- A. The proposed use is consistent with and compatible to adjacent and surrounding land uses.
- B. The request conforms to many goals and policies contained in the City's General Plan.
- C. The proposed luxury condominium/townhouse development will provide an appropriate buffer and transition from the attached single-family uses to the north and east and the commercial development to the west and south.
- D. The proposed use will not negatively impact the Scottsdale Unified School District.
- E. The proposed use will result in reduced traffic, given the close proximity of the residential use to the commercial uses, allowing residents an opportunity to conveniently access these uses without having to drive.

IX. Summary

In summary, the rezoning of the Property from S-R to R-3 presents a unique opportunity to develop an infill parcel along a major thoroughfare in the City. The development of the Property with the luxury condominium/townhouse development is compatible with the adjacent uses in the area and will provide an appropriate buffer from the attached single-family residential uses to the north and east and the commercial developments to the west and south. The proposed use will create an opportunity for residents of the development to conveniently access the commercial and entertainment uses to the west and south, resulting in reduced vehicular trips. Additionally, the rezoning is in conformance with the goals and approaches as contained in the General Plan.

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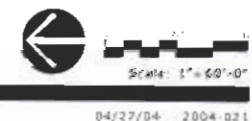


Context Aerial and Site Plan

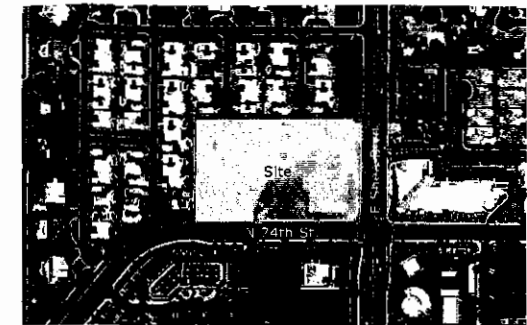
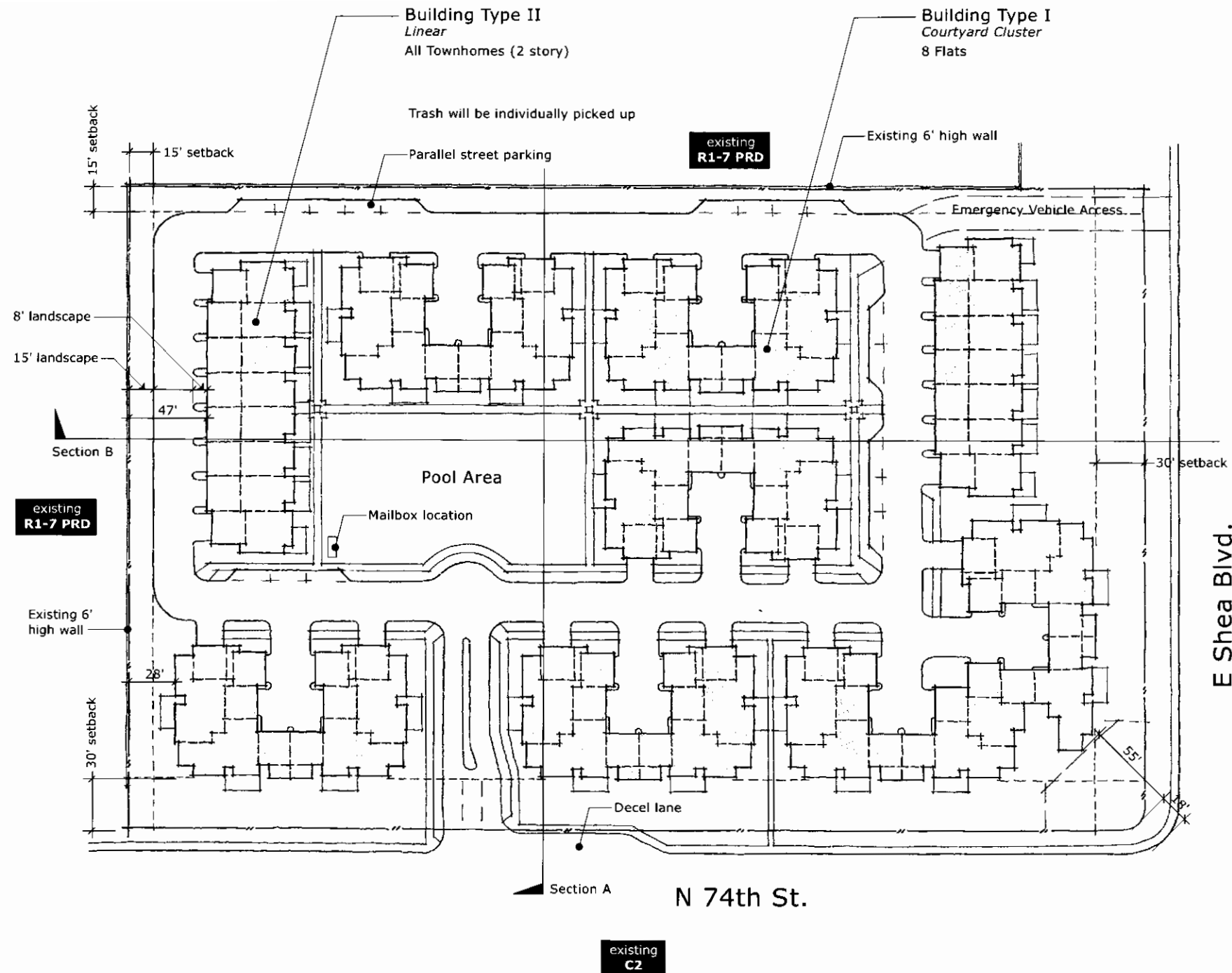


Waterford Villas

Scottsdale Condominiums
Scottsdale, Arizona



7-ZN-2004
4-27-04



Site Area: 237,706 sf (5.46 ac)
 Total Units: 68
 Density: 12.5 du/ac

Flats:
 A Units (1,300 sf): 13
 B Units (1,425 sf): 14
 C Units (1,625 sf): 12
 D Units (1,750 sf): 14

Towns:
 E Units (1,600 sf): 11
 F Units (1,650 sf): 4

Total Units: 68

Garage Parking: 136 (2/unit)
 Street Parking: 17 (.25/unit)

Total Parking Provided: 153

Total Parking Required: 136 (2/unit)

Open Space:
 Required (36%): 85,575 sf
 Provided: +/-87,800 sf

Frontage Open Space:
 Required (12%): 28,525 sf
 Provided: +/-38,400 sf

Parking Lot Landscaping:
 Required (15% of parking): 482 sf
 Provided: +/-4,000 sf

Concept Site Plan

Waterford Villas

Scottsdale Condominiums
 Scottsdale, Arizona



Scale: 1"=30'-0"

06/01/04 2004-021-00

7-ZN-2004
 6-2-04

